Morris, Craig

From: Lily Chambers (b)(6)
Sent: Monday, February 07, 2011 4:51 PM
To: TMFeedback
Subject: Small Business Study
Attachments: TMFeedback.doc

Please find attached my responses to your Small Business Study questionnaire. Do not hesitate to contact me should you wish further information or clarification on any of my answers. Thank you.

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Lily Chambers
Publisher/Editor
TVE Magazine

Please send your response to the following questions, or any additional comments, to TMFeedback@uspto.gov, with the subject line "Small Business Study." In order to ensure that your feedback may be considered, please submit it no later than February 7, 2011. Although the USPTO would find it most beneficial to receive responses to every item, you may answer all or any portion of the following questions.

1. Please identify whether you are a trademark owner or practitioner, and the general size and nature of your business or trademark practice, including the number of trademark applications and registrations your business has, or your practice handles. Please note that the USPTO will fully consider any comments you submit, even if you choose not to identify yourself in a particular manner.

I am a trademark practitioner.

2. In approximately the last 5 years, please describe any instances of which you have first-hand knowledge where a small business may have been the target of litigation tactics attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner.

Following my receipt of a cease and desist letter from Entrepreneur Media, Inc. (see answer to question 3, below) I posted a topic on the Virtual Assistant Forums website regarding my situation. I received two private emails from virtual assistants stating that they, too, had received these letters for using the word "entrepreneur" in the name of their virtual assistant services business. Both VAs changed the name of their business to remove the word "entrepreneur" from the title; one of whom needed to also change her website address, incurring full expenses to purchase a new website and the cost of already having purchased the prior one.

3. Please describe situations where you have been involved in receiving a cease-and-desist letter. Anecdotal information might include, but is not limited to, a description of whether the letter resulted in the small business ceasing its use of one or more marks, or whether the sender of the cease-and-desist letter withdrew or abandoned its demands against the small business owner.

The first issue of TVE Magazine, the September 2009 issue, was published by Andrea Jackson on September 15, 2009 as a monthly publication under the name of "The Virtual Entrepreneur." I took over ownership of TVE Magazine 1 week prior to the release of the April, 2010 issue. Shortly after obtaining ownership of TVE Magazine, I received an extremely nasty 'cease and desist' letter from the attorney for Entrepreneur Media, Inc. (owners of Entrepreneur Magazine) claiming that EMI owned the word "Entrepreneur" and it could no longer be part of TVE's name; this rude and derogatory letter was my first contact with EMI's attorney.

In response to the cease and desist letter, having no financial recourse against an organization of their size, I held a 'name-change' contest with my readers and subsequently renamed TVE to "The Virtual Evolution" magazine beginning with the June/July, 2010 issue of TVE Magazine. I lost subscribers due to the name change as they felt my magazine was not 'stable' because of my forced name change.

In addition, because I am a part-owner of the "Academy of Virtual Entrepreneurs" (an online training school), and AOVE was also a recipient of a cease and desist letter. We were forced to change the name of our school, as well. We changed it to the "Academy of Virtual Education",

which also required us to change all materials and information related to AOVE. The resulting name change caused a great deal of confusion to potential students and we have not yet recovered economically from this forced name change.

4. Please describe situations where you have been involved in trademark litigation in state or federal courts. Anecdotal information might include, but is not limited to, a description of whether the lawsuit settled on the basis of the small business agreeing to cease its use of one or more marks, or on the basis of the plaintiff withdrawing or abandoning its trademark-related allegation(s). Alternatively, relevant information might include whether such lawsuits resulted in a court judgment and the nature of the judgment (such as requiring the small business to cease its use of one or more marks, assessing monetary liability (damages, lost profits, or attorneys' fees) against the small business, requiring the plaintiff to pay the defendant's attorneys' fees, or imposing sanctions against the plaintiff under Rule 11 of the Federal Rules of Civil Procedure).

We were not in a financial position with either TVE or AOVE to fight this issue in legal court proceedings.

5. Please describe situations where you have been involved in opposition/cancellation proceedings instituted at the USPTO against small business owners. Anecdotal information might include, but is not limited to, a description of whether the proceedings settled on the basis of the small business agreeing to abandon its application(s) for one or more marks, or whether the proceedings settled on the basis of the plaintiff withdrawing or abandoning its notice of opposition or cancellation petition. Alternatively, relevant information might include a description of whether such proceedings resulted in a decision by the USPTO Trademark Trial and Appeal Board ("TTAB") refusing to register/canceling one or more marks owned by the small business, or whether such proceedings resulted in the TTAB imposing sanctions against the plaintiff under Rule 11 of the Federal Rules of Civil Procedure.

I have no first-hand knowledge related to this question.

6. Do you think trademark owners currently encounter the problem of other trademark owners using their trademark rights to harass and intimidate another business beyond what the law might be reasonably interpreted to allow? If so, how significant is the problem?

I think that EMI's aggressive tactics were/are extremely heavy-handed and unnecessary. I understand that they felt that my magazine could be misconstrued as a part of their holdings (although there were no indications of this anywhere in the magazine including the color-scheme, layout, writing, articles, etc.). However, their objection to the use of the word "Entrepreneur" as part of an online training academy or as part of a virtual assistance service company is an extreme stretch that anyone would misunderstand those types of businesses as being related to a magazine.

7. Do you think aggressive litigation tactics are more pervasive in the trademark area than in other areas of the law?

I have no first-hand knowledge related to this question but I suspect that trademark litigation is highly more aggressive due to the intensity of competition in our free-market system.

8. Do you think the USPTO has a responsibility to do something to discourage or prevent aggressive trademark litigation tactics? If yes, what should the USPTO do?

I believe it is up to the USPTO to verify that generic terms, such as "entrepreneur" cannot become proprietary to any specific individual or organization. Should this have occurred in the past, I believe this trademark should be pulled from exclusive use by said individual(s) or organization(s) and all references to the trademark removed from the USPTO library.

9. Do you think the U.S. courts have a responsibility to do something to discourage or prevent aggressive trademark litigation tactics? If yes, what should the U.S. courts do?

I believe the U.S. courts should work with the USPTO to ensure that the regulations are accurate and that generic terms or words are not allowed to be part of litigation. Any litigation that WAS based on generic terms or words should be overturned and a penalty assessed to the aggressor for wasting the courts and publics time and funds.

10. What other U.S. agencies may have a responsibility to do something about the problem?

I think the primary responsibility should reside with the USPTO.

11. Do you think Congress has a responsibility to do something to discourage or prevent aggressive trademark litigation tactics? If yes, what should Congress do?

No. I don't believe Congress needs to be involved other than to back the USPTO in their decisions, if need be.

12. Please provide any other comments you may have.

My personal belief is that the egregious behavior displayed by Entrepreneur Media, Inc. is most likely just one example of an organization that has taken complete advantage of the current law to play 'bully' with small companies that don't have the resources to fight back. The hubris they show in thinking that anyone using the term 'entrepreneur' could be misconstrued as belonging to their organization is way beyond reasonable.

As I stated earlier (see question 2) the idea of threatening a VIRTUAL ASSISTANCE SERVICE BUSINESS and forcing them to change their name, although they have NOTHING to do with the publication industry, shows a complete lack of control or common sense by EMI and seems extremely ridiculous to me. No-one with half a brain would think that a business called Virtual Entrepreneur Services (or any variation thereof) and clearly a one-person operation is part of Entrepreneur magazine or any of their holdings.

In addition, by forcing small companies to change an established business name, it disrupts their market standings and is potentially (if not actually) damaging to the company's reputation and finances (as it was to both of my enterprises.) My third company is called "The Virtual Office Goddess." If you google the term 'office goddess', it is a widely used and quite generic phrase. However, if I had deep enough pockets, I could conceivably trademark the term and promptly begin forcing others to stop using it, including companies such as the ones located at 'www.office goddess online.com', 'www.officegoddess.biz', etc. thus causing them a great deal of emotional and financial distress. We need to put a clear and complete stop to this type of control over commonly used and generic terms and the organizations that take advantage of these trademarks for any purpose.

This country was founded on free enterprise and the concept of healthy competition. Allowing anyone (whether individually or as an organization) to, in essence, control the free enterprise and competition levels of small business by determining what names or phrases can be used to describe them, due to poorly created or a lack of rules, is damaging to our entire free-market system and needs to be stopped dead.